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Mr. Millerbrand

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~~FILED RETURN~~

Discontent in East Germany

Background

The Department has received a number of reports of unrest in East Germany. Most of them are related to the unsatisfactory economic conditions, particularly food shortages. Two recent demonstrations have been reported—one at Potsdam and one at Hennigsdorf (northwest of Berlin). Although unrest has apparently not yet reached explosive proportions, serious disorders cannot be precluded if tension continues to mount.

There has also been a sharp increase in the number of refugees fleeing to West Berlin. The rate recently reached a level higher than that in 1956, the highest to date. This was precipitated at least partly by recent East German measures designed to inhibit movement between East and West Berlin. If the refugee flow continues to grow, there is a possibility the East German regime may feel impelled to act to reduce or eliminate it. This could result in severe restrictions on travel between East and West Berlin, if not the complete division of the city. This could in turn lead to more unrest in East Germany.

These possibilities have led Ambassador Dowling to raise the question of what the United States would do if the "East German population should rise again." He went on to express the view that "for us to remain on the sidelines in the event of another June 17 would mean an end of our prestige and influence in Germany, even were the Federal Republic and population in the West to follow our precept."

Intelligence Estimate

Following the receipt of Ambassador Dowling's telegram, CIA asked its Berlin station to submit a report on the situation. The station said that the basic cause for the current increase in the refugee flow seems to be the tough Soviet and East German line on Berlin. This has led to a widespread fear that the near future may offer the last chance for escape under relatively easy travel

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conditions. The start of the school vacation was a good time to implement recently made decisions to leave East Germany. East German shortages have also contributed somewhat to the motivation to leave.

The station also reported that, over the past month, numerous sources have reported increased grumbling and discontent among the populace. None of the refugees interviewed, however, have indicated a belief that this heightened discontent is likely to lead to an uprising.

The station concluded that, while there is no present sign of an explosion, the situation might undergo a relatively rapid and deep deterioration if very harsh measures are undertaken by the Soviets and the East Germans with respect to sealing off Berlin and if the current economic crisis in East Germany seriously deepens at the same time as possibilities of escape to the West are drastically reduced.

#### Effect on Soviet Policies

The Soviets are watching events in East Germany as closely as we are. They may be even more concerned, since they are sitting on top of the volcano. We have, for example, a report that officials from the Soviet Embassy made an on-the-spot investigation of the recent demonstration at Henningsdorf.

We can assume that events in East Germany are conditioning Soviet policy on Berlin. What is harder to say is the effect they are having on Soviet decisions.

East Germany's economic difficulties—and the associated unrest—might be expected to encourage Khrushchev to try to avoid steps which could precipitate economic countermeasures. On the other hand, the East German regime would like very much to halt the drains on its manpower caused by the flow of refugees.

For the moment at least, Soviet policy is to tolerate the loss of refugees, while pressing toward a decision on Berlin. A heavy increase in the flow of refugees could, however, tip the balance toward measures to bring it to a halt. If Khrushchev became seriously concerned about the economic situation in East Germany, he could either call for a showdown on Berlin or slacken the pressure in order to give the regime time to get its economy in order.

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#### US Policy toward Present Situation

Like the Soviets, the US is faced with a dilemma on East Germany. While the US would like to see unrest there cause the Soviets to slacken their pressure on Berlin, the US would not like to see a repitition at this time of June 17, 1953--let alone the Hungarian revolt. Nor would the US like to see Berlin divided, particularly since this might only fan the flames in East Germany.

On balance, the Soviets seem to be creating enough difficulties for themselves in East Germany without the US taking a hand. The US should not, therefore, do anything at this point to exacerbate the situation.

This does not preclude, however, the US helping to advertise the facts to the world, in such a way as not to encourage the East Germans to revolt or to expect US assistance if they do. Nor would it preclude the US reminding the Soviets quietly through appropriate channels that the US is watching events in East Germany with interest and forbearance. The latter should leave the implication that the US attitude could change if the Soviets create difficulty for us on Berlin.

#### US Contingent Policy

##### 1. In event of disorders in East Germany.

There is no current NSC policy on this contingency, probably because a revolt in East Germany has for some time been thought unlikely. The last State Department instruction on the subject, sent out in 1953 in the wake of the East German disorders, is now out of date. The Defense Department has plans to deal with various contingencies which might arise in event of a revolt. NSAS has not recently sent out a guidance on this subject, and RIAS apparently would operate on the basis of its own plans in consultation with the US Mission in Berlin. CIA has this subject under study.

On the assumption the US would not intervene to assist the East Germans in event of a revolt unless this coincided with hostilities, the question arises as to what else it might do. Although this would depend largely on the conditions prevailing, there are several possibilities:

(a) The President could make a public statement, sympathizing with the East Germans and calling on both them and the Soviets to avoid bloodshed.

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(b) The US could propose a meeting of the four Foreign Ministers on Germany. (Even though this would probably not suit the Soviets, it is hard to imagine a time when our bargaining position would be stronger.)

(c) The US could take the revolt up in the United Nations.

2. Refugees.

If the East German regime should take measures to end the refugee flow, the US should protest this action vigorously and help advertise it to the world. So long, however, as these measures do not involve the division of Berlin and access to West Berlin from the Federal Republic is not interfered with, the US should take no countermeasures.

Immediate Action Required

1. The Department should instruct Ambassador Dowling and Mr. Lightner to discuss the unrest in East Germany and the refugee flow with Chancellor Adenauer and Mayor Brandt, with a view to conveying US views and soliciting theirs.

2. Following this, the Department should instruct our Ambassador in London and Paris to discuss this subject with the French and British Governments.

3. State and USIA should prepare a guidance to US information media, particularly RIAS. This should instruct US media not to encourage revolt in East Germany and, in the event of a revolt, to encourage the Soviets and East Germans to avoid bloodshed.

4. The Department should prepare a stand-by statement for the President to make in the event of a revolt or of the East Germans halting movement between East and West Berlin.

5. The Department should consider whether it might be in the US interest to take up either of these events in the UN and, if so, how this should be done.

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